

# **MISTAKES MADE IN THE INVESTIGATION OF CHARLES PARISH**

## **MAJORITY STAFF REPORT COMMITTEE ON GOVERNMENT REFORM**

The Committee has learned that the investigation of Charles Parish was severely mishandled by every agency involved in it. Four different entities investigated Parish: (1) the Regional Security Officer at the Beijing Embassy; (2) The Diplomatic Security Service at the State Department; (3) the State Department Inspector General; and (4) the FBI. Complaints were first made about Parish shortly after his arrival in Beijing in July 1994, and continued for 16 months until an investigation of Parish was finally commenced. The investigation of Parish at the Embassy was then badly botched. The Regional Security Officer failed to preserve most of the key documents, and failed to speak to key witnesses. Then, when the State Department's Diplomatic Security Service ("DS") began an investigation of Parish in the United States in 1996, it failed to investigate many of the key allegations against Parish. Finally, Parish was investigated again by the State Department's Inspector General ("OIG") and the FBI in 1998. It appears that the Inspector General failed to interview many key witnesses or investigate the key leads to see if Parish committed visa fraud.

As a result of the failure to aggressively investigate Parish, he was neither disciplined nor fired. Instead, he was returned to Washington for additional sensitive assignments, given a merit pay raise, and allowed to retire with a full pension in 1998.

### **I. COMPLAINTS WERE MADE ABOUT PARISH FOR 16 MONTHS BEFORE ANY ACTION WAS TAKEN**

The Committee has learned that there were many complaints about Charles Parish's handling of visa applications, dating back to even before Parish arrived at the Beijing Embassy. These serious complaints were never acted upon by the Embassy, allowing Parish to mismanage the visa section for over a year. Finally, in April 1996, the junior consular officers complained en masse at a dinner held by the Embassy's number two officer, the Deputy Chief of Mission, Scott Hallford. Hallford claims that this dinner was the first time that he heard any complaints about Parish, and responded by commencing an investigation of Parish.

#### **A. Parish's Track Record Before Beijing**

Documents produced to the Committee by the State Department indicate that Charles Parish had been under suspicion for visa fraud while serving as a visa officer in Bangladesh and Nepal in the early 1990's. Many of the documents regarding these investigations are classified, so few details are available. However, it is clear that a number of allegations were made against Parish, but the charges were never proven, allowing Parish to receive a promotion to a sensitive position in Beijing.

## **B. Complaints By Junior Officers in Beijing**

The Committee has interviewed several junior officers who served under Parish who told the Committee that they complained about Parish's conduct. Paul Horowitz, a junior officer who served under Parish, told us that complaints about Parish began shortly after Parish arrived in Beijing. Horowitz personally complained to the Consul General, Arturo Macias, in November of 1994, and likely complained to other Embassy personnel earlier. (Attachment 1.) Chris Hegadorn, another junior officer, confirmed that the junior officers lodged complaints about Parish with a number of supervisors in Beijing, including Macias, and the head of the American Citizen Services section, Dan Piccuta. (Attachment 2.) Mr. Horowitz stated that Parish tried to "crush anyone who complained" about him, and therefore, most of the junior officers tried to maneuver behind his back, rather than complain to Parish directly.

The complaints made by the junior officers generally consisted of the following:

- Parish frequently overturned junior officers' decisions to reject visa applicants without explanation.
- Parish kept original visa files in his office for unknown reasons.
- Parish accepted gifts from visa applicants.
- Parish issued visas to applicants from outside of Beijing's consular district, in violation of the Embassy's rules.
- Parish issued visas to unqualified individuals.

## **C. Chinese Magazine Article about Parish**

In April 1996, the Beijing Chronicle published an article about the U.S. Embassy's visa section. (Attachment 3.) That article contained the following quote:

"How many times have you been here for the visa?" "Is it not easy during these days?" "It depends on which diplomat! The 'black' one is easier and it's hard to say for the 'white' one."

Parish was the only black visa officer at the Embassy, and the article obviously referred to him. All of the officers at the Embassy were aware of the article, and knew that it referred to Parish. The Embassy's Regional Security Officer ("RSO") was also aware of it, but did not think that it merited investigation, as it alleged only leniency, and not outright criminal wrongdoing. However, in light of all of the allegations that were mounting about Parish, this kind of notoriety with the Beijing press certainly should have raised concern for the Embassy's security officer. Shortly after this article was published, the RSO did begin an investigation in response to the mass complaints by the junior officers to the Embassy's Deputy Chief of Mission.

#### **D. Complaint Regarding Visa Fraud by David Chen**

On September 28, 1995, David Chen of the Chinese-American Association in San Francisco wrote to Ambassador Sasser, and alleged that when he was in China, Chen learned that the Vice Consul at the Embassy was granting visas for bribes. (Attachment 4.) Chen alleged that the vice consul was receiving \$20,000-\$30,000 for a visa. It is unclear if this allegation refers to Parish, as his title was "Consul and First Secretary." However, Schurman told the Committee that there were never any other allegations of visa fraud against other visa officers in Beijing. The Embassy did not undertake any investigation as a result of the Chen letter.

#### **E. Failure to Act by Parish's Superiors**

It appears that Parish's superiors were aware of the complaints made about Parish's conduct, but they failed to undertake an investigation of Parish, or remove him from his position of responsibility. Paul Horowitz told us that Arturo Macias, Parish's direct superior, had a number of "closed-door" sessions with Parish, criticizing him for his management of the visa section. (Attachment 1.) We have also received one document from the State Department where Macias criticized Parish for issuing visas to a group of unqualified individuals. (Attachment 5.) Rather than remove Parish from his position of power, Macias tried to limit the damage that Parish was causing. Horowitz told Committee staff that by the end of Parish's tenure, he, Dan Piccuta, and Macias would meet to discuss how they could limit Parish's power. One of the changes that Macias made was to change the visa application form to require an explanation if Parish overturned a junior officer's decision to reject a visa application. However, neither Macias, nor any of Parish's other superiors, ever tried to initiate an investigation of Parish until April 1996.

Additionally, the RSO, Don Schurman, was aware of complaints regarding Parish. While being debriefed by Schurman, a visa officer who was leaving the Embassy stated that Parish was lenient in granting visas, especially to attractive young women. (Attachment 6.) Schurman heard this rumor elsewhere among Embassy personnel, and looked into Parish's conduct. In doing so, he learned about the Chinese magazine article as well. However, Schurman decided that because the visa process was so discretionary, he could not act on allegations of Parish's leniency toward young attractive women.

There is also documentary proof that Parish's superiors were aware of the allegations against Parish. At some point before the investigation actually started, Dan Piccuta, the head of American Citizen Services section, prepared a list of Parish's questionable activities. (Attachment 7.) When the investigation of Parish began, Don Schurman, the lead investigator, found that most of the charges against Parish had already been listed by Piccuta. However, they had not been passed on to Schurman at any earlier date.

All of these facts, rather than showing responsiveness by the State Department, show that Parish's superiors at the Embassy were aware that Parish was a problem, and

failed to take real action to stop them. Rather than forward the complaints for investigation, the Embassy's leadership tried to deal with Parish internally. This decision allowed Parish's mismanagement to continue unimpeded until April 1996, when an investigation was finally begun.

## **II. THE STATE DEPARTMENT'S INVESTIGATION WAS INADEQUATE**

When the State Department did finally begin an investigation of Parish, it was fraught with mistakes. The State Department's investigation was conducted in two different phases: first, an investigation at the Embassy by the RSO; and second, an investigation in the United States by the Diplomatic Security Service.

### **A. The Investigation at the Embassy Was Inadequate**

The investigation of Parish at the Embassy was initiated in April 1996, after the junior officers in the non-immigrant visa section complained en masse at a dinner held by the DCM, Scott Hallford. After the dinner, Hallford asked Don Schurman, the RSO, to start an investigation. As described below, Schurman made a number of critical mistakes during his investigation.

#### **1. DS Failed to Provide Assistance**

The first step that Schurman took in the investigation was to seal Charles Parish's office, and change the locks. Schurman then began reviewing the materials in Parish's office, and found that Parish kept a large number of files in his office. Parish had files on Chinese companies, a large number of duplicate visa applications that he had granted, a number of original visa applications, which he was not supposed to have, and correspondence and e-mail with Chinese individuals he had granted visas to. There was such a volume of materials that Schurman realized he would need assistance to conduct the investigation. He immediately sent a cable to Diplomatic Security in Washington, and asked that they send someone to assist him with the investigation. Diplomatic Security refused to send anyone. Schurman did not press the matter, and concluded that Diplomatic Security did not believe that Parish was a major problem. However, given the fact that no one had reviewed any documents or interviewed any witnesses relating to Parish, such a conclusion was obviously premature and unjustified.

Because of this decision by DS, Schurman was never able to review all of the materials in Parish's office. Schurman was responsible for a wide array of matters, including embassy security, counterintelligence, and American citizen security, and accordingly did not have time to conduct a full investigation. He spent several weekends and evenings in Parish's office, but never completed even a basic review of all of the materials in the office.

## **2. Destruction of Documents**

While he did keep Parish's office sealed for several weeks, Schurman soon found that the Embassy's personnel wanted to use Parish's office. Therefore, Schurman decided to destroy most of the documents in Parish's office. Schurman saved only several stacks of documents that he found most relevant, and several gifts that Parish had received from Chinese citizens. Schurman destroyed the majority of documents in Parish's office, including most of his duplicate visa applications, correspondence, and files on Chinese companies. Schurman isn't certain if he had Diplomatic Security's permission before destroying these records. He told Committee staff that he "would like to think" that he asked for permission from Diplomatic Security in Washington before he destroyed the records. Schurman's main defense for destroying the records is that "the investigation appeared to be going nowhere." However, at the time that the records were destroyed, most of them had never been reviewed, and almost no witnesses had been interviewed. Therefore, it is difficult to discern the basis for Schurman's judgment regarding the progress of the investigation.

Moreover, Schurman never conducted an inventory or took photographs of the office. Therefore, future investigators have had no way of reconstructing the records or files that Parish kept. This has hampered the ability of investigators to determine why Parish was tracking certain visa recipients, or corresponding with certain individuals.

## **3. Hong Kong Bank Account**

Among the documents destroyed by Mr. Schurman was a statement from a Hong Kong bank account held by Charles Parish. Schurman reviewed a bank statement from the account when he was searching Parish's office. Schurman conceded that it was odd for a visa officer in China to have a bank account in Hong Kong, however, he deemed it not to be of investigative value because the statement only indicated \$100 in the account. Therefore, Schurman destroyed the statement, and failed to keep any record of the account number. Schurman made no effort to determine why Parish held the account, or if it contained more money at other times.

## **4. Failure to Preserve Visa Applications**

Due to space limitations, the Beijing Embassy retained original visa files for only one year after they were granted. When the investigation of Parish began, Schurman made no effort to determine which visas Parish had issued over the last year, or even more significantly, which visas Parish had issued over the objection of a junior officer. In addition, Schurman failed to halt the destruction of old visa files by the Embassy. Therefore, by May 1997, every visa file that had been handled by Charles Parish had been destroyed (with the exception of the small number of applications saved by Schurman), and it was impossible to recreate a list of visas issued by Parish. Such a list has been requested by several investigative bodies, including the OIG and the Committee, and the State Department has not been able to provide it.

## **5. No Search of Parish's Apartment**

Another basic investigative step that the RSO failed to take was a search of Parish's apartment. It is possible that Parish kept gifts or cash at his apartment, but Schurman stated that it would be a "touchy" matter to carry out a search in Beijing.

## **6. Limited Witness Interviews**

Schurman never conducted any formal interviews of the junior officers under Parish as part of the investigation. He believes that Dan Piccuta, the head of American Citizen Services, did "informally collect" the officers' complaints. However, Schurman's failure to conduct formal interviews of the main complainants against Parish is indicative of the sloppy investigation which he supervised.

## **7. Incomplete Interview of Charles Parish**

As the culmination of his investigation, RSO Schurman interviewed Charles Parish. A summary of the interview was cabled to Washington (Attachment 8.) The following issues were covered with Parish:

- Parish was questioned about his trip to the U.S. with his secretary and a girlfriend, both Chinese citizens. Parish stated that he paid for his own ticket, but did not know how his companions paid for their tickets.
- Schurman reminded Parish of the Embassy's non-fraternization policy, which required all Embassy officers to report personal relationships with Chinese. Parish did not respond to Schurman's reminder.
- Schurman then asked Parish if he accepted any gifts of material value from any party that had interests before him. Parish stated that he had received gifts, but none of significant value. When asked about his visa issuances on behalf of the travel agency that hosted his birthday party, Parish claimed that he did not know that the individual who hosted his party had sponsored the visa requests.
- Parish was then asked about his relationships with other Chinese people. Parish stated that "he was no monk," but declined to answer whether he had ever had an intimate relationship with someone to whom he had issued a visa. (Later, Parish claimed that he did not answer this question because he did not want to discuss his personal life in front of a number of officers, and then admitted that he had an intimate relationship with one Chinese woman, but did not know if he had issued her a visa.)

After this interview, the Embassy concluded that Parish "was not accepting money for services. This would be difficult to prove or disprove given the past lack of controls and the high volume of visa actions." However, it is unclear how Hallford, Schurman, and

the other Embassy officials could reach this conclusion after their incomplete investigation, and cursory interview with Parish.

Even more critical though, it appears that Schurman limited his interview upon orders from Diplomatic Security in Washington. A cable from DS told Schurman that “the subject [Parish] should not be questioned in any way about his possible criminal activity. Any questions related to his possible criminal involvement could jeopardize a future prosecution. Headquarters’ main concern is that the subject could claim that he was compelled to answer any question asked of him during the meeting.” (See Attachment 9.) Accordingly, the interview was very limited, and failed to ask Parish the most difficult questions. Diplomatic Security’s concerns that a future prosecution of Parish be preserved were baseless, as a serious investigation of Parish was never undertaken.

## **B. The Investigation by Diplomatic Security in the U.S. Was Too Narrow**

After Schurman concluded his investigation at the Embassy, Ambassador Sasser reluctantly agreed to ask Parish to leave the Embassy and go back to Washington for reassignment. At the time that Parish was leaving the Embassy in May 1996, Diplomatic Security in Washington continued to conduct an investigation of Parish. This investigation, like the one conducted at the Embassy, was deeply flawed, and failed to examine a number of basic issues.

### **1. Focused Only on One Set of Companies**

Diplomatic Security investigated allegations only relating to one set of related companies: Guang Hua International, Bright City International, Light City International, and Palm Coast Corp. It appears that DS did perform a relatively thorough investigation of these companies. They interviewed the principals of these companies, and were satisfied that they were legitimate companies. They also discovered that most of the individuals who came to the U.S. sponsored by these companies returned to China. However, these companies were only one small set of companies to which Parish issued visas. DS failed to investigate possible leads relating to a number of other companies. To a certain extent, this failure was caused by Schurman’s destruction of relevant documents. After Schurman destroyed most of the documents in Parish’s office, DS was deprived of a number of possible investigative leads.

However, there were a number of documents that were preserved that DS didn’t even review. For example, documents were available to DS showing that Parish issued visas to groups sponsored by companies like BNU Corp., Velur Investments, LCP International Institute, SINOPEC, and others. Files were also preserved showing that Parish issued visas to a number of Chinese students, and then stayed in frequent contact with them once they arrived in the U.S. DS apparently failed to interview individuals at any of these companies, or speak to any of the individuals to whom Parish issued visas.

By failing to follow these available leads, DS may have missed obvious cases where Parish issued visas for improper considerations, and they may have also missed developing possible counterintelligence leads. For example, one of the major beneficiaries of Parish's largess, BNU, a Chinese-owned company in Phoenix, Arizona, has extensive ties with the Chinese military, including Robert Ma and Wang Jun, two figures believed to be involved in an illegal scheme to smuggle automatic weapons into the U.S.

## **2. DS Was Too Quick to Clear Parish**

To the extent that Diplomatic Security did conduct an investigation, it appears to have been too quick to clear Parish. The DS investigation focused on showing that Guang Hua and the other companies to which Parish granted visas were legitimate businesses. DS also sought to show that all of the recipients of visas returned to China. As explained by DS staff, this gave them a comfort level that visa fraud had not occurred. However, legally, visa fraud has nothing to do with whether or not the recipient of the visa returns to China, or whether the sponsoring company is legitimate. Rather, the sole consideration is whether the visa was granted for improper reasons, such as the receipt of money or other favors. Diplomatic Security did not attempt to discover whether or not Parish's visa issuances for Guang Hua and related companies were the result of improper motives. Diplomatic Security could have tried to determine this by either reviewing Parish's bank records, or interviewing visa recipients.

## **3. Failure to Conduct Basic Investigative Steps**

As indicated above, Diplomatic Security failed to take many basic investigative steps in the Parish case. Diplomatic Security failed to even review the limited materials that Schurman retrieved from Parish's office. Those materials stayed in Schurman's closet in Beijing until mid-1998, when they were requested by the State Department Inspector General's office.

DS also failed to interview many of the individuals involved in the Parish case. DS investigators did not interview junior officers who served under Parish, and they failed to interview any visa recipients or sponsors other than those affiliated with Guang Hua Inc., or related companies. Given the limited scope of the investigation, and the limited steps that were taken by DS, it is difficult to see how DS intended to prove a case of visa fraud.

## **C. At a Minimum, Personnel Action Should Have Been Taken**

After Embassy personnel interviewed Parish, they concluded that at a minimum, there was an appearance of impropriety in Parish's actions. Accordingly, RSO Schurman and DCM Hallford recommended to Ambassador Sasser that he ask Parish to voluntarily curtail from his service in Beijing. According to Schurman, Sasser was hesitant to do this, despite all of the evidence against Parish. According to Schurman, Sasser was concerned that Parish would file an EEO action if he took any action against Parish.



Nevertheless, Sasser was convinced by Schurman and Hallford to ask Parish to leave. When they did ask Parish to leave, Parish did so.

However, once he returned to Washington, no disciplinary action was taken against Parish. He was never referred for any rebuke or disciplinary action, and his personnel file remained clean. Upon his return to Washington, D.C., Parish was reassigned to a sensitive office in the State Department reviewing visa applications from Iran and Iraq. Later, Parish was transferred to the State Department's Bureau of Oceans and International Scientific and Environmental Affairs, where he was awarded a merit pay raise. In 1998, Parish retired from the foreign service with a full pension, never having been disciplined for his activities in Beijing.

## **II. THE INSPECTOR GENERAL'S INVESTIGATION WAS INADEQUATE**

The Inspector General's investigation was inadequate in many ways as well. The most prominent mistakes are listed below. The Committee was informed the day before the hearing that the Justice Department will not allow the Inspector General to answer any specific questions about her investigation, claiming that such information is covered by Rule 6(e) of the Federal Rules of Criminal Procedure. The Justice Department is insisting upon this position, despite the fact that much of the Inspector General's work was done exclusively by Inspector General agents, and was never conducted before a grand jury.

### **1. The OIG Investigation Started Too Late**

The State Department Office of Inspector General ("OIG") did not begin its investigation until January 1998, when it received a referral about the Parish matter from their Office of Inspections. Parish had been investigated at the Embassy, and was forced to leave over 18 months earlier. It is unclear why the OIG did not start an investigation of Parish earlier, at the same time that he was under suspicion of wrongdoing in Beijing. By the time that the OIG's investigation got underway, much of the relevant evidence was gone, and Parish had retired from the Foreign Service. Accordingly, the only action the OIG could take against Parish was to refer him to the Justice Department for prosecution – they could not have Parish sanctioned administratively or have his pension revoked. The OIG never referred Parish for prosecution, and he never received any punishment from the State Department.

### **2. The Investigation Failed to Gather All of the Relevant Information**

Like the previous investigation by DS, the OIG's investigation was very narrow, and failed to investigate all of the available leads relating to Parish. Also, much like the Diplomatic Security Service's investigation, it appears that the OIG was too quick to clear Parish.

**a.       OIG Did Not Carefully Review the Documents from Parish's Office**

The OIG did request that Diplomatic Security send to Washington all of the documents that RSO Schurman had retrieved from Parish's office. They believed correctly that these documents could be useful in the investigation. The Committee was told by the OIG that investigators from the OIG and the FBI reviewed the two boxes of records from Parish's office, and found them "totally irrelevant." However, in reality, the two boxes contain dozens of valuable leads relating to Parish, so it is inconceivable that the OIG and FBI investigators carefully reviewed the materials in the two boxes. In addition, when the two boxes were given to the Committee by the OIG, they contained ten classified documents that were improperly placed in the box. The OIG was not aware that the materials were in the box until informed by Committee staff. Accordingly, it is impossible that OIG and FBI staff reviewed the materials carefully – otherwise, they would have located the classified materials, and stored them properly.

The OIG's failure to review the material from Parish's office was a significant failure. The documents contain the names of dozens of potential witnesses against Parish, and provide substantiation for many of the allegations against Parish, including the charges that he granted visas in exchange for money and sex.

**b.       OIG Did Not Understand the Previous Investigations**

It also appears that the OIG did not attempt to understand the extent to which Parish had been investigated at the Embassy and by Diplomatic Security. The OIG's failure to do so resulted in a serious misconception regarding the scope of Parish's wrongdoing.

When the OIG provided the two boxes of documents from Parish's office to the Committee, they informed Committee staff that the two boxes represented the entire contents of Parish's office. Committee staff then informed the OIG staff that the boxes represented only a small portion of materials from Parish's office that had been saved by the RSO. The OIG staff were completely unaware that Schurman had destroyed the vast majority of records in Parish's office. The OIG interviewed Schurman, but never learned that he had failed to preserve most of the evidence against Parish, and that Parish actually had hundreds of visa files and other records in his office. As a result of this oversight, the OIG came to the conclusion that Parish's wrongdoing was on a much smaller scale than it actually was.

**c.       OIG Failed to Interview Witnesses**

The investigation by the Inspector General's office was incomplete in other ways as well. Most of the witnesses interviewed by the OIG were peripheral to the investigation. The OIG will likely claim that they were piggybacking on the FBI investigation of Parish, which was already underway at this time, and simply let the FBI conduct many of the interviews. If this argument is true, it is troubling that the OIG

would pass off to the FBI an investigation of this importance. More importantly though, this argument is not convincing, as many witnesses were not interviewed by the FBI or the OIG. These witnesses include: Chris Hegadorn, one of the main junior officers under Parish; Hong Zhao, a close associate of Parish, who received a visa from him; and Scott Hallford, the Embassy's Deputy Chief of Mission.

**d. OIG Did Not Examine Parish's Bank Records**

In investigating allegations of visa fraud, the OIG failed to investigate one of the obvious sources of proof – Parish's financial records. First, the OIG failed to subpoena any financial records relating to Parish. Review of such records is instrumental in attempting to show that Parish was receiving money for issuing visas. The OIG has not provided any explanation for their failure to review Parish's bank records.

In addition, it appears that the OIG was unaware that Parish maintained a Hong Kong bank account. The OIG did interview the RSO, but again failed to learn that Parish had a Hong Kong account, and that Schurman destroyed the records relating to this account. If the OIG had been aware of this account, it is possible that they could have reviewed the account if they had the cooperation of the Hong Kong authorities.

**e. OIG Did Not Investigate Full Range of Companies**

Most alarming is the failure of the OIG to investigate the full range of companies that allegedly provided gratuities to Parish. It appears that for the most part, the OIG retraced the investigate steps taken by Diplomatic Security in 1996. The OIG did briefly investigate allegations made by Johnny Chung, but it did not investigate allegations that Parish was given gratuities by COFCO and BNU in exchange for granting visas, in spite of the fact that these allegations had been reported in the press. These allegations are some of the most serious against Parish, as COFCO and BNU have extensive ties to individuals and firms with ties to the Chinese military, such as Wang Jun, Robert Ma, Poly Technologies, and Dynasty Holdings. In addition, the OIG failed to contact a number of individuals that either received visas from Parish, or claimed that Parish was involved in wrongdoing.

When asked about the failure to investigate leads relating to COFCO and BNU, the OIG has told Committee staff that they did not investigate these leads because they believed that the FBI was already investigating them. However, this explanation does not justify the lack of action by the OIG. According to their own account, the Inspector General's office relied extensively on the FBI during the investigation. FBI agents conducted many of the witness interviews, and the OIG either read the interview summaries, or participated in the interviews. At no time though, did the OIG use the fact that the FBI was investigating Parish as an excuse to drop their investigation entirely. In the one case of investigating COFCO and BNU, though, the OIG completely failed to investigate, or even keep tabs on the FBI investigation. In doing so, the OIG failed to even look at one of the clearest cases where Parish granted visas in exchange for gratuities, and also may have missed possible serious counterintelligence issues.

### **3. The OIG Then Misrepresented Its Investigation to the Committee**

After the Committee learned of the allegations against Charles Parish from Johnny Chung, it requested a briefing from the Office of Inspector General regarding their investigation of Parish. In that initial briefing, and in subsequent meetings, the OIG has created a false impression regarding their investigation, and otherwise slowed the Committee's efforts to investigate.

In their briefing, OIG personnel told Committee staff that they had thoroughly investigated the allegations against Parish, interviewed witnesses, and reviewed records, and nothing was found that corroborated the allegations against Parish. They also stated that there was never any evidence that Parish accepted anything past "knickknacks of de minimis value."

#### **a. Claims Regarding Parish's Bank Records**

Government Reform Committee staff specifically asked OIG staff whether they had reviewed Parish's bank records. OIG staff responded that they did review Parish's bank records, and found nothing to corroborate the allegations against him. Later, Committee staff requested that the OIG produce a copy of those bank records to the Committee. At that time, the OIG explained that they had not actually reviewed Parish's bank records, but instead ran a FinCEN check on Parish. (Such a check would contain only a summary of major financial transactions conducted by Parish for which he would have had to file federal paperwork.) When Committee staff requested a copy of the Parish FinCEN materials, OIG staff then explained that they had actually not even conducted a FinCEN check on Parish. As it turned out, the OIG had not taken any investigative steps to review Parish's financial accounts, despite the fact that they twice assured Committee staff that they had.

#### **b. Claims Regarding Parish's Acceptance of Gifts**

During their briefing to Committee staff, OIG staff claimed that there was evidence that Parish had accepted only "knickknacks of de minimis value." However, this claim was patently false. Beyond the allegations made by Johnny Chung, there were numerous other allegations that Parish received valuable gratuities from parties interested in the visa process. The Committee has learned with relative ease that Parish had accepted free stays at luxury suites in Phoenix and California from COFCO and BNU, that he had accepted gifts of value from Chinese citizens, and that he accepted a valuable trip to a DNC fundraiser. It is unclear why the OIG chose to mischaracterize Parish's receipt of gifts during briefings to Committee staff.

#### **c. Claims Regarding Production of Documents**

When Chairman Burton requested that the OIG produce all relevant documents regarding the Parish investigation, the OIG produced a list of relevant documents to the

Committee staff, and asked staff to select documents that they wanted to receive. OIG clearly represented that the list was a complete accounting of all documents relating to the Parish investigation that were in the custody of the OIG. However, after OIG produced that list, the Committee learned that there were two boxes of documents, and a box of gifts that had been retrieved from Parish's office in Beijing. The Committee requested that both the State Department and the OIG produce the boxes, if they had them. Initially, the OIG denied having the boxes, but then located them, and produced them to the Committee. The OIG's justification for failing to produce the three boxes was that the documents they contained were so irrelevant that the boxes were never entered into the case index. OIG staff then added that the boxes would have been destroyed within several months pursuant to OIG policy if they had not been requested by the Committee.

As explained above, the OIG's explanation for the failure to produce the boxes of documents does not make sense. The boxes contained documents of high relevance, including copies of visa applications granted by Parish, documents containing allegations of visa fraud against Parish, and extensive correspondence between Parish and individuals to whom he granted visas. It is difficult to see how any investigator could review these boxes and find that they were not relevant to the Parish case. Therefore, it is fair to conclude that the OIG and FBI investigators that reviewed the boxes did a very cursory and sloppy job.

As explained above as well, these boxes of documents contained classified documents. It is unclear whether these documents were in Parish's office, or whether they were put into the box at a later point. Regardless, they were not stored properly: the committee was not informed that they were in the box, they were unsecured until located by the Committee, and they had no cover sheet indicating their classification. Indeed, when the minority staff asked OIG staff if there were classified documents in the box, they were expressly told that there were none. The fact that the OIG appeared to be completely unaware that there were classified documents in the box supports the conclusion that no one from the OIG carefully reviewed these boxes, which were filled with relevant documents.